

COMPANY OVERVIEW



VISION

To Become The Most-Admired Digital Life Service Provider In Thailand.

MISSION

To enhance people's lives through Digital Services.

- Deliver Superior Products and Services to Enrich People's Daily Lives and to Improve Enterprise Capabilities and Efficiency.
- Enhance Customer Intimacy Through The Best Customer Experience.
- Drive Intrapreneurship and Employees' Professionalism, and Promote a Positive, Lively and Agile Work Culture.
- Build Win-Win Growth to All Stakeholders.



Message from Chairman of the Board of Directors and CEO

Dear Shareholders,

Strengthen all Businesses Units



2019 was a good year for AIS in spite of the country's lackluster economic performance with a GDP of 2.4 percent, coupled with heavy competition in both mobile and fixed broadband businesses. AIS maintained its leadership position in mobile business with a revenue market share of more than 48 percent, highest in the industry. In the meantime, AIS Fixed broadband business or AIS Fibre, started 5 years ago, saw higher growth in revenue and subscribers among operators, exceeding the target of 1 million in 2019. Not only did AIS Fibre's market share rose to 10 percent in 2019, its net profit also turned positive for the first time. For enterprise business, acquiring CSL had strengthened AIS with comprehensive products and service portfolio. With our aim to lead one-stop ICT solutions, we have reorganized to better service enterprise customers and hence were able to stimulate solid growth in enterprise segment.

Greater Quality and Bolster Digital Platforms



AIS, as a major telecommunications service provider, maintains a strategy of building upon its mobile customer base of over 42 million people to increase revenue. Towards this, we have continually invested in platforms to enhance our digital service. In 2019, our video platform, AIS PLAY, has continued to grow with 2 million active viewers based on both mobile and home broadband platforms. Additionally, we also expanded digital platform to serve online insurance service in cooperation with insurance companies as business partner. We also expanded into the eSports realm to support the gaming market. All of the aforementioned progresses are crucial for AIS in moving towards being a digital life service provider.

Building Strengths as AIS Enters its Third Decade



Over the past 29 years, AIS has maintained its number one status by given precedence to customers, partners, and employees. We place customers at the heart of all our operations, delivering them only the best possible technology and responding to their needs. We believe that our future growth is based in cooperation with partners, especially in the coming 5G era, and we will need to collaborate with variety of industries to achieve progress. AIS also devotes great importance to its employees, supporting them to acquire new abilities in step with customer demands and to adapt to rapidly changing technologies.

Our goals for the coming 3-5 years, even as the number one company in mobile service industry, is to transition from being solely a telecom provider to a digital life service provider. This is because customers have access to all kinds of services online and we believe that they seek for services beyond just connectivity.

The first ring of the AIS business strategy is strengthening our core business, that is mobiles business. The second ring is to create a new revenue engine through fixed broadband business and enterprise business. The third ring are digital platforms, which will serve as a foundation to expand into other industries in the future.

Moving into the 5G era, AIS will be able to offer brand-new and distinct customer experiences, opening up to new business opportunities from emerging businesses and services. Over the past 1-2 years, AIS has tested 5G spectrum in preparation of bringing 5G technology to the Thai people. We placed our focus on developing digital and technological infrastructure as well as skilled resources to enhance business capabilities of various sectors and industries in Thailand.

Building Sustainable Growth and Playing a Role in National Development



AIS was selected for listing among the Dow Jones Sustainability Indices (DJSI) in 2019, both on the World Market and Emerging Market indices, reflecting our vision and policies for sustainable business. By operating with mindfulness towards the economy, society and the environment, AIS has been able to perform with excellence as well as transparency. We have prioritized our customer data privacy, promoted E-waste management projects in the interest of the environment and supported the Digital Intelligence Quotient (DQ) of the Thai people while using our technologies to build a safe digital Thailand.

We thank all of our customers for their trust in our products and services, our partners for their resolute collaboration in response to our users' needs and our

shareholders for their commitment. We, the executives and staff of AIS, promise to work to our utmost capability towards the goals we have set and, most importantly, to care and reward all of our shareholders and stakeholders to the best of our ability, including being a part in our home nation developments.

Warm regards,

(Kan Trakulhoon)
Chairman of the Board
of Directors

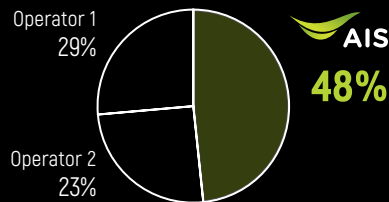
(Somchai Lertsutiwong)
Chief Executive
Officer



Operational Highlight

MOBILE OPERATOR LEADER

with a trusted brand
and quality network



LARGEST mobile operator with 42 MILLIONS SUBSCRIBERS

48%
revenue market share

AIS AS A DIGITAL LIFE SERVICE PROVIDER

through mobile, broadband and digital services

Best 4G Network Quality
'Thailand Fastest
Network' for
**5 CONSECUTIVE
YEARS**

by Ookla



THAILAND'S
FASTEST
MOBILE
NETWORK

#1 Customer Choice
Rated
'THAILAND'S MOST
ADMIRABLE BRAND
& COMPANY'

by BrandAge



Top of Mind
Service Excellence Rated
'CUSTOMER
RELATIONSHIP EXCELLENCE'

by APCSC (Asia Pacific Customer Service Consortium)



FIRST TO COMPLETE
NATIONWIDE

5G speed test



**57 CITIES
COVERAGE**

100%

fully fiber connection

MORE THAN
1 MILLION
AIS FIBRE SUBSCRIBERS



GROWING FIXED BROADBAND CUSTOMER BASE



AIS
Fibre

10%

expanding subscribers market share



AIS
Fibre

35%

increasing share of net additional subscribers



86%

of AIS fibre subscribers
are also mobile subscribers



Growing Digital Service User Base for Long Term Profitability

Enterprise Cloud



AIS and CSL combined to offer one-stop ICT services addressing enterprise customers needs.



Internet of Things (IoT)



AIS jointly developed NB-IoT innovations nationwide connecting over 750,000 devices.



Video



Platform

Reached over

2 million active users

With free and paid contents including TV, movie, music and games.

Mobile

Payment



Rabbit Line Pay and mPay provide convenient payment services for individual and corporate customers.



Awards and Recognition

AIS has been selected as a member of

DJSI family for 2019

BOTH WORLD INDEX AND EMERGING MARKET INDEX

In the telecommunication services sector, receiving SAM Bronze Class Sustainability Award.



Selected as a constituent of

the FTSE4Good Index Series

FOR 5 CONSECUTIVE YEARS

From demonstrating strong Environmental, Social and Governance (ESG) management.



FTSE4Good

Listed in

Thailand Sustainability Investment Index

for five consecutive years

From ongoing long-term value creation to shareholders.





Financial highlight

Total revenue (Bt mn)

Decent growth in revenue contributed from all business units.

2019

183,432
+8%

2018

169,856

2017

157,722

Mobile revenue improved from an increase in subscribers and ARPU

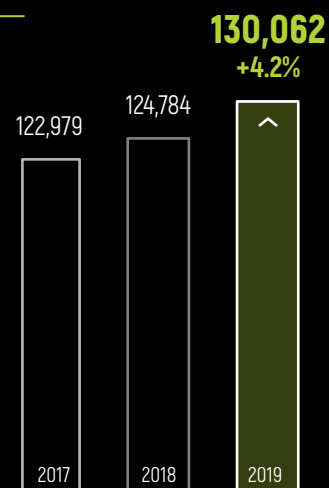
Fixed broadband revenue increased as the subscriber base reached 1 million

High enterprise business growth resulted from synergy with CSL

* Based on financial performance excluding the effect from TFRS15 adoption



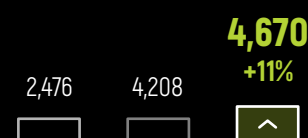
Mobile



Fixed Broadband



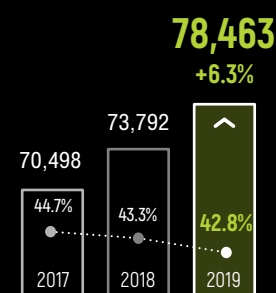
Enterprise and others



EBITDA and Margin

(Bt mn, %)

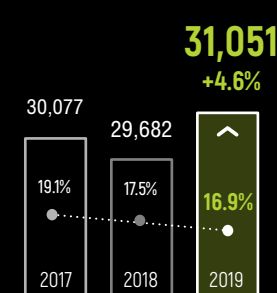
EBITDA improvement from revenue growth and efficient cost control.



Net Profit and Margin

(Bt mn, %)

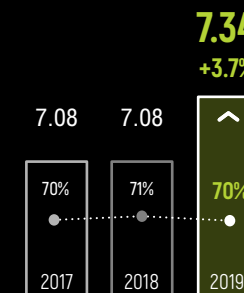
Deliver net profit growth despite competitive market and broadband business turn profitable.



Dividend Payment

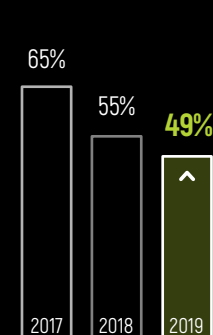
(Bt/share)

Continued to deliver an increased dividend per share and maintained payout ratio of 70%.



Return on Equity

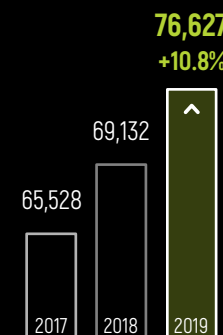
Deliver decent return to shareholders while continuing to invest for future.



Operating Cash Flow

(Bt mn)

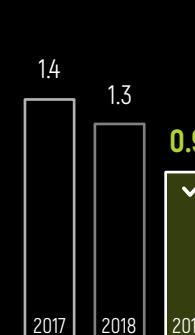
Strong operating cash flow to support network investment.



Net Debt to EBITDA

(times)

Maintain strong financial flexibility for future growth.

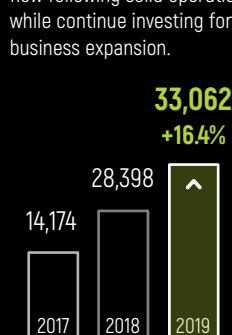


Free Cash Flow

(Bt mn)

Operating cash flow after investments

Strong and rising free cash flow following solid operation while continue investing for business expansion.





Financial Ratio Formulas

For the years ended 31 December

Consolidated financial statements	2017	2018	2019
Liquidity Ratio			
Current Ratio (time)	0.50	0.48	0.45
Quick Ratio (time)	0.36	0.35	0.34
Operating cash flow to current liability (time)	0.94	0.95	0.73
A/R turnover (time)	11	10	10
Collection period (day)	32	35	36
Inventory turnover (time)	7	7	7
Day sales period (day)	49	52	51
A/P turnover (time)	6	6	6
Payment period (day)	63	58	65
Cash Cycle (day)	19	30	22
Profitability Ratio			
Gross profit margin ratio (%)	42%	39%	38%
Operation income ratio (%)	26%	24%	23%
Other operating income ratio (%)	0.5%	0.5%	0.5%
Free cash flow to EBIT (%)	36%	63%	121%
Net profit margin (%)	19%	18%	17%
Return to Equity (%) Average	65%	55%	49%
Return to Equity (%) As at end	60%	51%	45%

Consolidated financial statements	2017	2018	2019
Efficiency Ratio			
Return on total assets (%)	11%	10%	11%
Return on fixed assets (%) ^{/1}	23%	22%	23%
Total assets turnover (time)	0.56	0.59	0.62
Financial Policy Ratio			
Debt to equity ratio (time)	4.63	4.04	3.17
Interest coverage ratio (time)	12.45	11.94	13.00
Debt service ratio (IR Basis) (time)	4.40	2.88	2.25
Dividend payout ratio (%)	70%	71%	70%
Data on per Share Capital			
Net book value per share (Baht)	16.96	19.40	23.34
Net Profit per share (Baht)	10.12	9.98	10.49
Dividend per share (Baht)	7.08	7.08	7.34
Percentage Growth on			
Total Assets (%)	3%	2%	-0.3%
Total Liabilities (%)	0.29%	-0.34%	-5.39%
Revenue from services & sales (%)	4%	8%	7%
Selling & admin. expenses (%)	-16%	5%	5%
Net Profit (%)	-2%	-1%	5%

Key development towards sustainable growth

Network innovation

1. Tested 5G technology at Samyan Mid Town to learn about 5G in a practical context testing out 3D hologram technology, long distance 3D image projection and communication, 5G VDO Calls, 5G Remote Controlled Vehicles, 5G Connected Drones and 5G Robotics among others.



2. Launched a test of 5G in the Central Region and ran a practical test, opening the trial to developers, educational institutes and partners in the Northeast interested in taking part in 5G technology.

3. Signed an MOU with Huawei, Nokia and ZTE to jointly study, exchange knowledge and experiment with 5G technology in terms of responding to industrial developments and bettering the lives of consumers.



4. Secured a license in the 700Mhz frequency band for 723-733Mhz as well as 778-788Mhz (2 x 10Mhz in width) for 15 years from reception worth a total 17,584 million Baht.



Product and Services to meet digital lifestyle



1. Enhanced High-Speed Internet through 5 strategies focusing on top speed, coverage, E-Sports support, self-speed management and adjustment of the need for every customer.



2. Launched AIS Insurance Service, an online insurance brokering service that allows indication of travel information and coverage duration provided by an AIS affiliate (ADD) authorized by the Office of the Insurance Commission.



3. Renewed business focus of CS Loxinfo and changed its name to CSL while introducing the 3Ss strategy; 1. Data Center & Cloud Solutions 2. Managed Services 3. System Integration for every enterprise business operation.



4. Launched AIS eBiz Shop, an online storefront for AIS Business products and services.



5. Cooperated with Singtel to expand electronic payment service to Japan



6. Introduced the NB-IoT Motor Tracker solution to the auto insurance business with Thai Vivat Plc. using it to active and deactivate automobiles and calculate insurance premiums on actual usage.



Expanding opportunities through social and environment development



7. Cooperated with Sansiri and Kamnanchul Farm to build Smart Barns controlled by the iFarm system, which manages temperature, soil moisture and PM2.5 as well as displays readings on a dashboard in real-time.



1. Established the Kaset Farm Suk technology learning center to serve as a source of knowledge on Smart Farmer approaches and use of the IoT or Intelligent Farm (iFarm) platform to more efficiently, accurately and conveniently manage farms.



2. Worked with public and private partners to organize "Green Paholyothin", a campaign on receiving E-Waste that pushed for the separation and proper disposal of E-Waste.



3. Organized the "Aun Jai CYBER" activity, inviting teachers from over 150 schools to receive training to enhance all 8 skills of their DQ (Digital Quotient).



Award and Recognition

Awards for Organization and Branding



1. **"Thailand's Most Admired Brand & Company"** award from BrandAge as a brand that won consumer's heart and is the most trusted brand.

2. **"The Most Prominent Telecommunication Brand in the World"** from Brand Finance, a world-renown strategic branding and brand value consultancy firm

3. **"No.1 Brand Thailand 2019"** award from Marketeer as the most popular brand in Mobile Operator sector.

4



4. **"Outstanding Brand"** award from the Annual Asia CEO Summit & Award Ceremony 2019 as an outstanding organization in Asia.

5. **"Best Practice Awards 2019"** in digital innovation development for Thai society from "Serving the Country with One Million Virtues Project" awarded by "For Thai Society Foundation."

6. **"The Best Accelerator and Incubator Program"** and "People Choice Award", for supporting startups that aim at economic and cultural development, awarded by ASEAN Rice Bowl StartUp Awards 2018.

7



9



7. **"Best Companies to Work for in Asia 2019"** award from HR Asia Magazine of Business Media International (Malaysia)

8. Honorable award **"Organization of The Year 2019"** in Information Technology and Communication from "Serving the Country with One Million Virtues Project"

9. **"The Best of DRIVE AWARD 2019"** as the leader in driving the country economy in Telecommunication and "DRIVE AWARD 2019 Excellence Technology" for the third consecutive years as the best organization in technological business.

Awards for Products, Services and Marketing



11



10. **"Customer Relationship Excellence Awards 2019"** for the five consecutive years held by Asia Pacific Customer Service Consortium (APCSC). There were more than 100 Asia Pacific companies participated.

11. **"Outstanding Organization that support disabled Employees"** in 2019, for the fourth consecutive years since 2016, awarded by Department of Disabled's Quality of Life Promotion.

12. **"Fastest Growing VMware Cloud Provider of the Year 2018"** award for the second consecutive year in VMware Partner Executive Event as an enterprise-trusted Cloud service provider.

14



13. **"Thailand IOT Services Provider of the Year"** award from Thailand Excellence Awards 2019 held by Frost & Sullivan.

14. **"Corporate insurance broker that support outstanding insurance policies for the people"** from Office of Insurance (OIC).

15. **"Most Engaged Official Account"** award as an Official Account that generated the most engagement and was the 'Most used sponsored stickers', as its branding sticker was most popular in Thai market.

Awards for Societal and Sustainability



17



16. Selected to be a member of **"Dow Jones Sustainability Indices"** in both World Index and Emerging Market Index as of 2019

17. Awarded with **"Thailand Sustainability Investment"** (THSI) as of 2019 among the listed company with a market capitalization of more than Bt 100,000 millions for the fifth consecutive years.